

Consultation on the Early-Stage Assessment for Anticipatory Investment

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About SuperNode and Superconductors

SuperNode, headquartered in Dublin, Ireland, is a global technology development company that designs and delivers cutting-edge, superconducting cable systems for bulk electricity transmission.

Conventional transmission cables are limited in terms of current levels which in turn limit their power transfer capability. Networks based upon superconducting cable systems can move larger quantities of power over longer distances with smaller and less obtrusive infrastructure, without electrical losses and at significantly lower voltages. SuperNode's technology will connect electricity markets in a way that facilitates the integration of large-scale renewables and the achievement of a decarbonised pan-European energy system.

SuperNode was founded in 2018 by Dr. Eddie O'Connor and renewable energy developer Mainstream Renewable Power Ltd. SuperNode is jointly owned by Dr. O'Connor and Norwegian green investment group AKER Horizons.

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Question 1: Do you agree that the later user should assume responsibility for the construction of the coordinated solution should the initial user become delayed?

Yes, I agree that the later user should assume responsibility for the construction of the coordinated solution if the initial user becomes delayed. This approach ensures that the project progresses smoothly and avoids unnecessary delays. By transferring the responsibility to the later user, the project can continue to move forward, and the benefits of the coordinated solution can be realised without significant disruptions.

Question 2: Do you have any views on the Draft Early-Stage Assessment Guidance Document?

SuperNode supports the Draft Early-Stage Assessment Guidance Document. Early-stage assessments are crucial for identifying potential challenges, risks, and opportunities associated with grid development projects. By providing clear guidance and frameworks for conducting these assessments, Ofgem can ensure consistency, transparency, and informed decision-making. It is important to emphasize the need to align these assessments with long-term goals and planning in line with the HND and HNDfUE, in order to achieve a decarbonised energy system by 2035 and net zero by 2050 and work backwards from those goals. For example, in a renewable powered 2050, the UK will be a part of a coordinated meshed European meshed grid with deep interconnection. The benefits of this should be fully understood as well as how exactly this grid would operate, in terms of the optimal planning, demand and supply modelling, and operation of such a complex grid.

Question 3: Do you have any views on what should constitute material change for projects?

Material change for projects should encompass significant alterations that impact the project's objectives, scope, costs, or timelines. It may include substantial deviations from the original plans, changes in technology, shifts in market conditions, or modifications in policy and regulatory frameworks that affect the project's viability or strategic importance. It is crucial to define material change clearly and comprehensively to ensure fair and effective decision-making, especially when it comes to evaluating the appropriateness of cost allowances and project adjustments.

Question 4: Do you agree with Ofgem's proposed approach to projects which experience material change?

Yes, I agree with Ofgem's proposed approach to projects that experience material change. Ofgem should carefully assess and evaluate the impact of material changes on projects to determine appropriate courses of action. This evaluation should consider factors such as the nature and extent of the change, its implications for project objectives and costs, and the overall alignment with long-term strategic goals. The approach should aim to strike a balance between accommodating legitimate changes and ensuring accountability, transparency, and value for money in project delivery.

Question 5: Do you agree with Ofgem's proposed approach to cost disallowances in anticipatory investment?

As a proponent of anticipatory investment, SuperNode understands the need for careful consideration of cost disallowances. Ofgem's proposed approach should account for the inherent uncertainties associated with long-term strategic planning and the evolving nature of energy systems. While it is

important to maintain appropriate checks and balances to safeguard public funds, excessively strict cost disallowances could discourage proactive investments and hinder the development of a resilient and future-proof grid. Therefore, Ofgem's approach should strike a reasonable balance between accountability and incentivizing forward-looking investments that support the transition to a sustainable energy future.